EXHIBIT E

Inside Massive Injury Lawsuits, Clients Get Traded Like Commodities for Big Money

A disgruntled former law firm employee spills secrets on a mass tort factory.

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For all the black robes and ceremony, the American legal system often operates more like a factory assembly line than a citadel of individualized justice. Ninety-five percent of criminal prosecutions end in plea deals. Many defective-product claims settle in mass pacts that benefit attorneys more than putative victims. Now a legal dispute within a plaintiffs' law firm that organizes massive torts is threatening to pull back the curtain on the mechanics of high-volume litigation.

It's not a pretty picture.

Amir Shenaq, a 30-year-old financier, sued his former employer, the Houston law firm **AkinMears**, over $4.2 million in allegedly unpaid commissions. To earn those fees, Shenaq says he raised nearly $100 million used to purchase thousands of injury claims from other lawyers. The suit portrays a claim-brokering marketplace that normally operates in secret, with clients recruited en masse through TV and Internet advertising who are then bundled and traded among attorneys like so many securitized mortgages.

AkinMears "is not run like a traditional plaintiffs' law office, and the firm's lawyers do not do the types of things that regular trial lawyers do," according to the Shenaq suit, which was filed in Texas state court in late September by another Houston firm, Oaks, Hartline & Daly. AkinMears doesn't do "things like meet their clients, get to know their clients, file pleadings/motions, attend depositions/hearings, or, heaven forbid, try a lawsuit," Shenaq alleges. Rather, AkinMears "is nothing more than a glorified claims-processing center, where the numbers are huge, the clients commodities, and the paydays, when they come, stratospheric."

AkinMears's outside attorney, Allan Neighbors IV of Houston, declined to comment or make the firm's name partners, Truett Akin IV and Michelle Mears, available for interviews. In court filings, AkinMears denied wrongdoing and said Shenaq had been fired last July 31 for unspecified reasons. Shenaq, a former Wells Fargo Securities leveraged-finance banker, alleges Akin fired him to avoid paying the multimillion-dollar commissions.

AkinMears asked the trial judge to seal Shenaq's suit, saying his disclosures "will cause immediate and irreparable harm to the continued nature of financial and other information belonging to AkinMears and those with whom it does business under terms of confidentiality." Judge Randy Wilson granted the gag order earlier this month, but only after the original filing had been disseminated online. Shenaq and the Oaks firm did not respond to requests for comment.

While it primarily concerns Shenaq's attempt to get paid commissions he says he's owed, the employment suit

illuminates the now-common practices of litigation finance and claim aggregation. Shenaq alleges that in 2014, five-attorney AkinMears switched strategies away from "buying non-stop advertisements and acquiring clients in a random, unpredictable manner." Instead, the firm's principals decided "to start making direct investments in ongoing mass tort litigation" over such products as hip implants, Viagra, and Lipitor.

To finance those investments, AkinMears asked Shenaq to raise tens of millions of dollars from outside investors. The former banker says he did that primarily by obtaining nearly $100 million from the Chicago-based hedge fund Gerchen Keller Capital. The fund specializes in betting on other people's lawsuits—a form of alternative investing known as litigation finance.

With the Gerchen capital, according to the Shenaq suit, AkinMears purchased some 14,000 defective-product claims, most of them concerning so-called transvaginal mesh, a type of implant designed to bolster sagging organs. Some women have complained that once implanted, the devices also cause injury and severe pain. By Shenaq's calculations, the mesh cases cost AkinMears between $2,500 and $3,125 apiece and yielded attorneys' fees of $15,000 each.

It isn't clear from the court filings how much the plaintiffs stood to gain from settlement of their claims or where the AkinMears-owned cases stand. It also isn't clear which companies AkinMears sued with the client information it acquired. Among the defendants that have been sued in connection with transvaginal mesh implants are C.R. Bard, Boston Scientific, and Johnson & Johnson.

Gerchen Keller managing director Travis Lenkner declined to comment, citing client confidentiality, but the hedge fund has been highly visible in the burgeoning litigation finance field. The firm announced a new $475 million fund in February for investments such as the AkinMears financings. Taken all together, Gerchen Keller says it manages some $800 million in assets for pension funds, endowments, foundations, and financial institutions—enough to make it one of the largest players in litigation finance.

In some instances, Gerchen Keller invests in litigation in exchange for a cut of any recovery. The investments with AkinMears, however, were essentially loans extended at an interest rate of "slightly below 16 percent," according to the Shenaq suit.

The U.S. Chamber of Commerce has condemned both claim aggregation and litigation finance as likely to encourage frivolous and abusive lawsuits. "The allegation that a law firm used hedge fund money to buy and sell thousands of personal injury lawsuits shows plaintiffs have become little more than commodities," says Lisa Rickard, president of the Chamber's Institute for Legal Reform. "This case appears to be a new example of how litigation financing perverts the justice system and puts the interests of lawyers and financiers ahead of actual plaintiffs."

of mass lawsuits could become public if the Shenaq case defies the odds and proceeds the information available so far has helped to underscore that the life of a plaintiffs' vhat's taught in law school. "Despite the fact that AkinMears's lawyers do not have to

dirty their hands with the mundane chores that come with actually practicing law," the suit alleges, "the firm nonetheless charges a robust 40 percent contingency fee for its efforts (which is then divided in some fashion among the various participants in its ever-shifting syndicate)." Lucrative work, if you can swing it.

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